

BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 03-1021-1208-03

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 1I & 2A
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: December 18, 2012

DRILLING UNIT: FF-39

TAZEWELL COUNTY, VIRGINIA

MISCELLANEOUS PETITION

1. **Petitioner and its counsel:** Petitioner is CNX Gas Company LLC, 2481 John Nash Boulevard, Bluefield, West Virginia 24701, 304/323-6500. Petitioner's counsel is Mark A. Swartz, **SWARTZ LAW OFFICES, PLLC.**, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808.

2. **Relief sought:** (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 1I & 2A as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the parties to the royalty split between Coal Mountain Mining Company & Edward D. Newberry, et ux

3. **Legal Authority:** Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. **Type of well(s):** Coalbed methane.

5. **Factual basis for relief requested** Coal Mountain Mining Company & Edward D. Newberry, et ux have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be divided and paid.

6. **Attestation:** The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

CNX GAS COMPANY LLC
BY ITS PROFESSIONAL MANAGER
CNX GAS COMPANY LLC, PETITIONER

By: 

Anita D. Duty
Pooling Supervisor
CNX Land Resources, Inc.
2481 John Nash Blvd.
Bluefield, West Virginia 24701

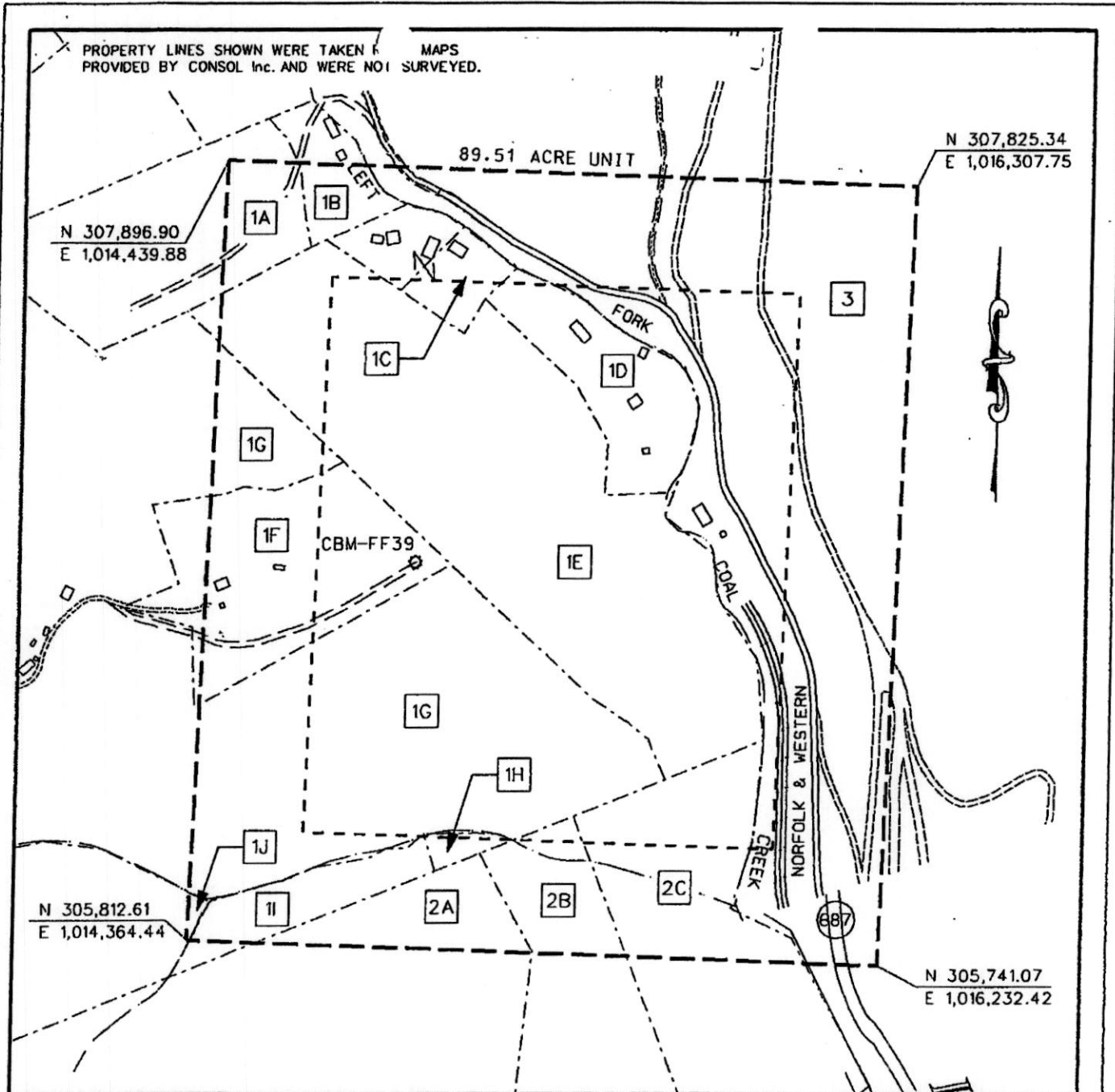


EXHIBIT A
OAKWOOD FIELD UNIT FF-39
FORCE POOLING
VGOB-03-1021-1208

Company CNX Gas Company LLC Well Name and Number UNIT FF39
 Tract No. _____ Elevation _____ Quadrangle Keen, Mountain
 County Tazewell District Maiden Springs Scale: 1"=400' Date 7/17/03
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGD-GO-7
Rev. 9/91

Charles D. Meyer
Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CNX GAS COMPANY LLC

UNIT FF-39

Tract Identifications

- 1A. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Betty J. Short, et al - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
1.47 acres 1.6423 %
- 1B. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Perry Deskins, et ux - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.89 acres 0.9943 %
- 1C. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Raymond E. Shelton, et al. - Surface and All Minerals except Coal
2.00 acres 2.2344 %
- 1D. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Charlie Deskins, et ux. - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
3.51 acres 3.9214 %
- 1E. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Wanda Simmons, et al. - All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased (70.4861%)
Knox Creek Carbon Company - Surface
19.51 acres 21.7964 %
- 1F. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Carl N. Ball, et ux. - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
5.57 acres 6.2228 %

CNX GAS COMPANY LLC

UNIT FF-39

Tract Identifications

- 1G. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
James M. Short, et al. - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
17.08 acres 19.0817 %**
- 1H. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Knox Creek Coal Corporation - Surface and All Minerals except Coal
0.31 acres 0.3463 %**
- 1I. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Alvie Newberry - Surface and All Minerals except Coal
1.74 acres 1.9439 %**
- 1J. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 40 - Coal Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Carl Ball, et ux. - Surface and All Minerals except Coal
CNX Gas Company LLC - Oil, Gas and CBM Leased
0.09 acres 0.1005 %**
- 2A. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 20 - Coal Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Alvie Newberry - Surface and All Minerals except Coal
2.24 acres 2.5025 %**
- 2B. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 20 - Coal Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Knox Creek Coal Corporation - Surface and All Minerals except Coal
2.00 acres 2.2344 %**

CNX GAS COMPANY LLC

UNIT FF-39

Tract Identifications

- 2C. Coal Mountain Mining Co. Limited Partnership, LLP Tr. 20 - Coal
Consolidation Coal Company - Below Drainage Coal Leased
Knox Creek Coal Corporation - Above Drainage Coal Leased
CNX Gas Company LLC - CBM Leased
Knox Creek Coal Corporation, et al - Surface and All Minerals except Coal
4.88 acres 5.4519 %**
- 3. Commonwealth Coal Company (May & Painter Tr.) - Fee
Reserve Coal Properties Company - Below Tiller Coal Leased
Knox Creek Coal Corporation - Tiller and Above Coal Leased
Reserve Coal Properties Company - Oil and Gas Leased
CNX Gas Company LLC - CBM Leased
28.22 acres 31.5272 %**

Exhibit E
Unit FF-39
Docket #VGOB 03-1021-1208-03
List of all Conflicting Owners/Claimants
(89.51 Acre Unit)

	Acres in Unit	Interest in Unit
<u>Tract #1B, 0.89 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.89 acres	0.9943%
<u>OIL & GAS OWNERSHIP</u>		
(1) Perry Deskins, et ux Star Rt. Box 37A Raven, VA 24639	0.89 acres	0.9943%
<u>Tract #1C, 2.00 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	2.00 acres	2.2344%
<u>OIL & GAS OWNERSHIP</u>		
(1) Raymond E. Shelton, et ux. HC62 Box 37 Raven, VA 24639 (Previously shown as et al. s/b et ux.)	2.00 acres	2.2344%
<u>Tract #1D, 3.51 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	3.51 acres	3.9214%
<u>OIL & GAS OWNERSHIP</u>		
(1) Charlie Deskins Heirs, Devisees, Successors or Assigns		
(a) Nadeine Deskins, widow HC62 Box 35 Raven, VA 24639	3.51 acres	3.9214%
<u>Tract #1E, 19.51 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	19.51 acres	21.7964%

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(89.51 Acre Unit)

	Acres in Unit	Interest in Unit
<u>OIL & GAS OWNERSHIP</u>		
(1) Wanda Simmons, et al. <i>(aka Mary Jane Short Heirs, Devisees, Successors or Assigns)</i>	19.51 acres	21.7964%
(a) Maude Murray 1234 1/2 N. F Street Muscogee, OK 74403 <i>(Deceased - documentation pending)</i>	1.42 acres 7/96 of 19.51 acres	1.5893%
(b) Ruby Boice 1409 Old Manor Road Chesapeake, VA 23323 <i>(Deceased - documentation pending)</i>	1.42 acres 7/96 of 19.51 acres	1.5893%
(c) Millie Campbell 216 Cassidy Avenue Virginia Beach, VA 23452	1.42 acres 7/96 of 19.51 acres	1.5893%
(d) Carolyn Phelps Heirs, Devisees, Successors or Assigns <i>(Deceased - documentation pending)</i>		
(d.1) Robert L. Phelps, widower 3108 Sterling Way Portsmouth, VA 23703	1.42 acres 7/96 of 19.51 acres	1.5893%
(e) George H. Short 806 Nottingham Road Portsmouth, VA 23703 <i>(Deceased - documentation pending)</i>	1.42 acres 7/96 of 19.51 acres	1.5893%
(f) James H. Short 622 Chandler Harper Drive Portsmouth, VA 23701 <i>(Deceased - documentation pending)</i>	1.42 acres 7/96 of 19.51 acres	1.5893%
(g) Donald Blaine Short 4404 Point West Drive Portsmouth, VA 23703	1.42 acres 7/96 of 19.51 acres	1.5893%
(h) Alfred V. Short Heirs, Devisees, Successors or Assigns <i>(Deceased - documentation pending)</i>		
(h.1) Alfred V. Short, Jr. 109 Wyoming Avenue Portsmouth, VA 23701	0.47 acres 7/288 of 19.51 acres	0.5298%
(h.2) Cheryl Wood 13 California Avenue Portsmouth, VA 23701	0.47 acres 7/288 of 19.51 acres	0.5298%
(h.3) Patricia Clark 6101 #B College Drive Suffolk, VA 23435	0.47 acres 7/288 of 19.51 acres	0.5298%

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(89.51 Acre Unit)

	Acres in Unit	Interest in Unit
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(i) Daniel A. Short Heirs, Devisees, Successors or Assigns <i>(Deceased - documentation pending)</i>		
(i.1) Delmar Short White (spouse) 4416 Clifford St. Portsmouth, VA 23707	0.47 acres 7/288 of 19.51 acres	0.5298%
(i.2) Dennis Short 1421 Old Manor Road Chesapeake, VA 23323	0.14 acres 1/144 of 19.51 acres	0.1514%
(i.3) Dwayne Short 2106 Wyoming Avenue Portsmouth, VA 23701	0.14 acres 1/144 of 19.51 acres	0.1514%
(i.4) David Short 2741 Martha Drive Chesapeake, VA 23323	0.14 acres 1/144 of 19.51 acres	0.1514%
(i.5) Danny Short 3300 Archers Mill Rd Suffolk, VA 23434	0.14 acres 1/144 of 19.51 acres	0.1514%
(i.6) Delma S. Grove 2741 Martha Drive Chesapeake, VA 23323	0.14 acres 1/144 of 19.51 acres	0.1514%
(i.7) Dawn Short Robey 3276 Galberry Rd. Chesapeake, VA 23323	0.14 acres 1/144 of 19.51 acres	0.1514%
(i.8) Dianna Short Canady 4401 Sun Ray Ave. Chesapeake, VA 23323	0.14 acres 1/144 of 19.51 acres	0.1514%
(j) Max O. Short Heirs, Devisees, Successors or Assigns <i>(Deceased - documentation pending)</i>		
(j.1) Marie (Frances) Short, widow 9 Morris Street, Apt.2 Portsmouth, VA 23702	0.47 acres 7/288 of 19.51 acres	0.5298%
(j.2) Mary Ann Rowe 9 Morris Street, Apt.2 Portsmouth, VA 23702	0.47 acres 7/288 of 19.51 acres	0.5298%
(j.3) Carrol J. Short 3263 Ashbury Square Atlanta, GA 30346	0.47 acres 7/288 of 19.51 acres	0.5298%
(k) John D. Short 6178 Knotts Creek Lane Suffolk, VA 23435 <i>(Deceased - documentation pending)</i>	1.42 acres 7/96 of 19.51 acres	1.5893%

Exhibit E
Unit FF-39
Docket #VGOB 03-1021-1208-03
List of all Conflicting Owners/Claimants
(89.51 Acre Unit)

	Acres in Unit	Interest in Unit
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(I) Wanda Simmons Heirs, Devisees, Successors or Assigns <i>(Deceased - documentation pending)</i>		
(I.1) Michael Simmons 687 Forest Hills Dr. Pounding Mill, VA 24637	0.18 acres 7/768 of 19.51 acres	0.1987%
(I.2) Bernard Simmons Heirs, Devisees, Successors or Assigns <i>(Deceased - documentation pending)</i>		
(I.2.1) Bernard Rolf Simmons Marital Trust 16308 Old Jonesborough Rd. Bristol, VA 24202	0.18 acres 7/768 of 19.51 acres	0.1987%
(I.3) Dennis Simmons 109 Eagle St. Richlands, VA 24641	0.18 acres 7/768 of 19.51 acres	0.1987%
(I.4) Norma Lee Heirs, Devisees, Successors or Assigns <i>(Deceased - documentation pending)</i>		
(I.4.1) Robert Lee 751 Terry Dr. Richlands, VA 24641	0.18 acres 7/768 of 19.51 acres	0.1987%
(I.5) Billy R. Simmons P.O. Box 45 Doran, VA 24612	0.18 acres 7/768 of 19.51 acres	0.1987%
(I.6) Jack Simmons 764 Terry Drive Richlands, VA 24641	0.18 acres 7/768 of 19.51 acres	0.1987%
(I.7) Sandra Spruell 11 23rd St., SW Roanoke, VA 24014	0.18 acres 7/768 of 19.51 acres	0.1987%
(I.8) Renee Younce <i>Address Unknown</i>	0.18 acres 7/768 of 19.51 acres	0.1987%
(2) Knox Creek Coal Corporation P.O. Box 519 Raven, VA 24639	2.44 acres 1/8 of 19.51 acres	2.7246%

Total tract acres 19.51
Total tract percent 21.7964%

Tract #1H, 0.31 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.31 acres	0.3463%
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Unit FF-39
Docket #VGOB 03-1021-1208-03
List of all Conflicting Owners/Claimants
(89.51 Acre Unit)

	Acres in Unit	Interest in Unit
<u>OIL & GAS OWNERSHIP</u>		
(1) Knox Creek Coal Corporation P.O. Box 519 Raven, VA 24639	0.31 acres	0.3463%
<u>Tract #2B, 2.00 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.20 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	2.00 acres	2.2344%
<u>OIL & GAS OWNERSHIP</u>		
(1) Knox Creek Coal Corporation P.O. Box 519 Raven, VA 24639	2.00 acres	2.2344%
<u>Tract #2C, 4.88 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Coal Mountain Mining Company, Tr.20 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	4.88 acres	5.4519%
<u>OIL & GAS OWNERSHIP</u>		
(1) Knox Creek Coal Corporation P.O. Box 519 Raven, VA 24639	4.88 acres	5.4519%
Acres in Unit		33.10
Percentage of Unit		36.9791%

Exhibit EE
Unit FF-39
Docket #VGOB 03-1021-1208-03
List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.51 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
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Tract #1A, 1.47 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	1.47 acres	1.6423%	n/a
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OIL & GAS OWNERSHIP

(1) Betty J. Short
(Previously listed as Betty J. Short, et al)

(a) Betty J. Short 211 Hunter Ave. Pounding Mill, VA 24637	1.47 acres	1.6423%	
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Royalties should be paid as follows:

Betty J. Short 211 Hunter Ave. Pounding Mill, VA 24637	1.10 acres 3/4 of 1.47 acres	1.2317%	n/a
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Russell Bryan Rakes 1716 Green Mountain Road Cedar Bluff, VA 24609	0.37 acres 1/4 of 1.47 acres	0.4106%	n/a
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By Deed of Gift dated 4/9/11, Russell Bryan Rakes conveyed his 25% ownership inherited from Charles G. Rakes to Betty J. Short. (DB1092/PG708). In exchange, Betty J. Short assigned Russell Bryan Rakes a 25% royalty interest, executed 5/5/11.

Note: CBM ownership was adjudicated to the prevailing plaintiff under Case no. CL 11-206
The Order was executed March 11, 2011 and plaintiff was awarded 100% of the
Coalbed Methane Gas underlying this tract.

Tract #1F, 5.57 acres

COAL OWNERSHIP

(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	5.57 acres	6.2228%	n/a
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OIL & GAS OWNERSHIP

(1) Carl N. Ball, et ux. Heirs, Devisees,
Successors or Assigns

(a) David D. Ball 384 Leonards Drive Raven, VA 24639	5.57 acres	6.2228%	n/a
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Tract #1G, 17.08 acres

Deed of Confirmation dated 7/30/09, James Short 72.5% CBM rights / Coal Mountain 27.5% CBM rights.

COAL OWNERSHIP

(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	17.08 acres	19.0817%	n/a
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Exhibit EE
Unit FF-39
Docket #VGOB 03-1021-1208-03
List of Conflicting Owners/Claimants with Royalty Split Agreements
(89.51 Acre Unit)

	Acres in Unit	Interest in Unit	Percent of Escrow
<u>OIL & GAS OWNERSHIP</u>			
(1) James M. Short 181 Vickey Drive Richlands, VA 24641	17.08 acres	19.0817%	n/a
<u>Tract #1I, 1.74 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	1.74 acres	1.9439%	2.3463%
<u>OIL & GAS OWNERSHIP</u>			
(1) Alvie Newberry Heirs, Devisees, Successors or Assigns			
(a) Mae Newberry, widow (Deeded to Edward Newberry, et ux. On Feb 17, 2004, DB902 PG666)			
(a.1) Edward Newberry, et ux. 3686 Road Ridge Turnpike Raven, VA 24639	1.74 acres	1.9439%	2.3463%
<u>Tract #1J, 0.09 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.40 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	0.09 acres	0.1005%	n/a
<u>OIL & GAS OWNERSHIP</u>			
(1) Carl N. Ball, et ux. Heirs, Devisees, Successors or Assigns			
(a) David D. Ball 384 Leonards Drive Raven, VA 24639	0.09 acres	0.1005%	n/a
<u>Tract #2A, 2.24 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Coal Mountain Mining Company, Tr.20 Limited Partnership, L.L.P. P.O. Box 675 Tazewell, VA 24651	2.24 acres	2.5025%	3.0205%
<u>OIL & GAS OWNERSHIP</u>			
(1) Alvie Newberry Heirs, Devisees, Successors or Assigns			
(a) Mae Newberry, widow (Deeded to Edward Newberry, et ux. On Feb 17, 2004, DB902 PG666)			
(a.1) Edward Newberry, et ux. 3686 Road Ridge Turnpike Raven, VA 24639	2.24 acres	2.5025%	3.0205%

Exhibit A-1
Tract-by-Tract Escrow Calculation
Account Balances as of 8/31/12

Unit FF39
VGOB 03-1021-1208-03
Acres Escrowed: 37.08000

Owners	Tract #	Acres	Owners' Percent of Escrow	Amount Due Owners \$79,890.33
Coal Mountain Mining Co. Limited Partnership, LLP - Coal	1i	1.74	2.3463%	\$1,874.45
Edward D. Newberry, et ux - O&G			2.3463%	\$1,874.45
Coal Mountain Mining Co. Limited Partnership, LLP - Coal	2a	2.24	3.0205%	\$2,413.08
Edward D. Newberry, et ux - O&G			3.0205%	\$2,413.08

Wells contributing to the escrow account: FF39